

## Message Text

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45

ACTION IO-14

INFO OCT-01 EUR-25 NEA-14 ISO-00 OMB-01 TAR-02 SP-03

SWF-02 AGR-20 AID-20 CIAE-00 COME-00 EB-11 INR-10

LAB-06 NSAE-00 OIC-04 RSC-01 SIL-01 STR-08 TRSE-00

CIEP-02 CEA-02 AF-10 ARA-16 EA-11 INT-08 DRC-01 /193 W

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R 071138Z MAY 74

FM USMISSION GENEVA

TO SECSTATE WASHDC 5586

INFO AMEMBASSY MEXICO

AMEMBASSY RABAT

AMEMBASSY TUNIS

USMISSION USUN

USMISSION OECD PARIS

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EO 11652 NA

TAGS UNCTAD EMIN

SUBJ UNCTAD: CONSULTATION ON PHOSPHATES

BEGIN SUMMARY: INTENSIVE CONSULTATIONS ON PHOSPHATES CONDUCTED IN FRIENDLY ATMOSPHERE AND ENDED WITH RESULTS SIMILAR TO CONSULTATIONS ON OTHER MINERALS (I.E. SECRETARIAT STUDY FOR COMMITTEE ON COMMODITIES WITH NO PERMANENT MACHINERY). US PARTICIPATION AND COOPERATIVE APPROACH AT MEETING APPRECIATED BY LDC REPS. END SUMMARY.

1. INTENSIVE INTERGOVERNMENTAL CONSULTATIONS ON PHOSPHATES CONDUCTED IN FRIENDLY ATMOSPHERE. TUNISIAN CHAIRMAN (CHEBBI) WENT OUT OF WAY PUBLICLY TO WELCOME PARTICIPATION OF U.S. HE

AND SEVERAL OTHER LDCS THANKED US DEL PRIVATELY FOR POSITIVE AND CONSTRUCTIVE APPROACH AT MEETING. AS IN CONSULTATIONS ON OTHER COMMODITIES, LDCS PLACED GREAT DEAL OF EMPHASIS ON LIMITED OFFICIAL USE

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PROCESSED PRODUCTS (I.E. FERTILIZERS). CONSULTATIONS WERE

HAMPERED BY INABILITY SEVERAL FRENCH AND SPANISH-SPEAKING REPS TO DRAFT IN ENGLISH AND INEXPERIENCE OF SOME OF THESE REPS WITH UN-TYPE MEETINGS.

2. TRADITIONAL GROUPING OF DEVELOPED VERSUS DEVELOPING COUNTRIES WAS BLURRED BY DIFFERENT INTERESTS OF INDIVIDUAL DELS. PRINCIPAL SUBSTANTIVE ISSUES PRESSED BY PRODUCING LDCS (NOTABLY TUNISIA AND MOROCCO AND TO LESSER EXTENT SENEGAL AND TOGO) WERE HARMONIZATION OF FUTURE PRODUCTION PLANS; INDEXATION OF PRICES, FINANCIAL AND TECHNICAL ASSISTANCE INCLUDING AID UNTYING, CARGO-SHARING IN SHIPPING AND INCREASED USAGE OF PHOSPHATES. THERE WAS NO SUPPORT FOR A COMMODITY AGREEMENT OR REQUEST FOR PERMANENT BODY AT THIS TIME. DEVELOPED CONSUMING COUNTRIES EMPHASIZED STABLE SUPPLY AND PRICES (EC AND JAPAN). DEVELOPING CONSUMING COUNTRIES SUGGESTED THAT SUPPLIES BE DISTRIBUTED TO LDCS ON A PREFERENTIAL BASIS (MEXICO) OR POOR COUNTRIES RECEIVE HELP IN FINANCING IMPORTS (INDIA). DEVELOPING PRODUCING COUNTRIES PLUS POTENTIAL PRODUCERS (AUSTRALIA AND MEXICO) STRESSED THE IMPORTANCE OF MARKET ACCESS FOR PHOSPHATE FERTILIZERS. SET OF AGREED CONCLUSIONS WERE DEVELOPED IN DRAFTING GROUP FROM INITIAL PROPOSALS TABLED BY TUNISIA AND MEXICO.

3. MAIN CONCERN OF TUNISIA AND OTHER LDC PRODUCERS WAS THAT CURRENT EFFORTS TO EXPAND PRODUCTION (ESPECIALLY IN US) WOULD RESULT IN OVER EXPANSION AND DEPRESSED PRICES SIMILAR TO SITUATION EXISTING IN 1972. THIS REFLECTED IN TUNISIAN DRAFT PROPOSAL BY REQUEST FOR HARMONIZATION OF PRODUCTION. US DEL TRIED TO CALM FEARS BY EMPHASIZING NEED TO EXPAND PRODUCTION TO MEET INCREASING DEMAND AND CONSTRAINTS ON US PRODUCTION OVER LONGER TERM. TUNISIANS NOT PERSUADED BY ARGUMENTS BUT EVENTUALLY AGREED THEIR IMMEDIATE CONCERNS WOULD BE MET BY SECRETARIAT STUDY FOR COMMITTEE ON COMMODITIES AND GENERAL REFERENCE TO NEED OF ALL PRODUCERS TO TAKE INTO ACCOUNT POSSIBLE CREATION OF IMBALANCES THAT MIGHT DISRUPT MARKET. TUNISIANS DROPPED VAGUE PROPOSAL ON INDEXATION WHEN IT WAS AGREED THAT UNCTAD STUDY COULD TAKE ACCOUNT OF EFFECTS OF INFLATION AND MONETARY EROSION ON PRICE LEVELS. ON THOSE ISSUES ON WHICH CONSULTATIONS UNABLE REACH AGREEMENT (E. G. AID, AND CARGO SHARING) AGREED CONCLUSIONS TAKE LIMITED OFFICIAL USE

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NOTE OF LDC VIEWS.

4. PRINCIPAL OBJECTIVE OF MEXICAN DEL APPEARED BE OBTAIN TECHNICAL ASSISTANCE AND INFORMATION ON DIRECT USE OF PHOSPHATE ROCK AS FERTILIZER INCLUDING RESULTS OBTAINED FOR VARIOUS CROPS. MEXICAN DEL BELIEVES DIRECT USE OF ROCK OFFERS PROMISING POTENTIAL OUTLET FOR ITS LOW GRADE DEPOSITS OF ROCK. US AND EC STATED

THAT QUESTION OF FERTILIZER END USAGE WAS MATTER FOR  
FAO AND NOT UNCTAD. IN FACE OF DETERMINATION OF  
MEXICAN DEL TO INSERT ITS POINT IN CONCLUSIONS, IT  
WAS AGREED TO SET FORTH BOTH POINTS OF VIEW IN AGREED  
CONCLUSIONS. (FYI MEXICAN DEL CLAIMED STUDIES IN US  
SHOWED DIRECT USE OF PHOSPHATE ROCK AS FERTILIZER  
PRODUCED GOOD CROP RESULTS. US EXPERTS ON DEL QUESTIONED  
MEXICAN CONCLUSION AND SUGGESTED MEXICANS SEEK FURTHER  
INFORMATION FROM APPROPRIATE US AGENCIES SUCH AS DEPT.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** LESS DEVELOPED COUNTRIES, AGREEMENTS, TECHNICAL ASSISTANCE, INFLATION, MEETINGS, MEETING DELEGATIONS, PHOSPHATES, FERTILIZERS, PRICES  
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**TAGS:** EMIN, US, UNCTAD  
**To:** STATE  
**Type:** TE  
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